

**2013 DRAFTING REQUEST**

**Bill**

Received: **12/7/2012** Received By: **jkreye**  
Wanted: **As time permits** Companion to LRB:  
For: **Administration-Budget** By/Representing: **Ley**  
May Contact: Drafter: **jkreye**  
Subject: **Tax, Business - credits** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to:

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**Pre Topic:**

DOA:.....Ley, BB0295 -

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**Topic:**

Repeal aggregate limit on angel investment tax credits

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 12/7/2012			_____ _____			
/P1		kfollett 12/7/2012	12/7/2012	_____ _____	srose 12/7/2012		State

FE Sent For:

**<END>**

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/?	jkreye	1/11/12 12/7		12/7 ph			

FE Sent For:

<END>

## Kreye, Joseph

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**From:** Hanaman, Cathlene  
**Sent:** Friday, December 07, 2012 8:42 AM  
**To:** Kreye, Joseph  
**Subject:** FW: Statutory Language Drafting Request - BB0295  
**Attachments:** WEDC Repeal Angel Investment Tax Credit Cap.docx

**From:** [Emily.Ley@wisconsin.gov](mailto:Emily.Ley@wisconsin.gov) [mailto:[Emily.Ley@wisconsin.gov](mailto:Emily.Ley@wisconsin.gov)]  
**Sent:** Thursday, December 06, 2012 5:31 PM  
**To:** Hanaman, Cathlene  
**Cc:** Thornton, Scott - DOA; Frederick, Caitlin - DOA; Ley, Emily A - DOA  
**Subject:** Statutory Language Drafting Request - BB0295

**Biennial Budget:** 2013-15

**Topic:** Repeal Angel Investment Tax Credit Cap

**Tracking Code:** BB0295

**SBO Team:** TLGED

**SBO Analyst:** Ley, Emily - DOA  
**Phone:** 608-266-7597  
**E-mail:** [Emily.Ley@wisconsin.gov](mailto:Emily.Ley@wisconsin.gov)

**Agency Acronym:** WEDC

**Agency Number:** 192

**Priority:** Medium

**Intent:**

Repeal s. 71.07(5d)(c)1, Wis. Stats. See attached language.

**Attachments:** True

Please send completed drafts to [statlanguage@wisapps.wi.gov](mailto:statlanguage@wisapps.wi.gov)

**Wisconsin Economic Development Corporation**

**2013/15 Biennial Budget**

**Repeal Angel Investment Tax Credit Cap**

Issue

WEDC is proposing to extend the life of the angel investment tax credit program by removing the existing statutory cap on the total amount of credits available.

Background

Current law provides that no more than \$47.5 million in credits may be claimed for all taxable years combined under the Angel Investment program. To date WEDC/Commerce has verified approximately \$28.5 million in tax credits. However, legislation enacted in the 2009-10 session increased the amount of tax credits that can be allocated annually to \$20 million.

In that same act, the annual allocation for the corresponding Early Stage Seed Investment program was increased in like manner, but the lifetime cap for that program was repealed so as not to conflict with the legislature's intent to increase capacity for the program into the future.

The Angel Investment program is highly successful in encouraging angel investment in this state, and has been replicated around the country, but when the cap is reached (estimated date of 2014) the angel program will end.

Recommendation

To address that inconsistency between the lifetime program cap and the annual allowable allocation, and to maintain the existence of the program, WEDC recommends repeal of § 71.07 (5d) (c) 1. in its entirety.



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0765/P1

JK...

DOA:.....Ley, BB0295 - Repeal aggregate limit on angel investment tax credits

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

in 12-7-12

Don't Gen

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**INCOME TAXATION**

Under current law, an individual may claim as an income tax credit an amount equal to 25 percent of the individual's bona fide angel investment in a qualified new business venture in this state. A bona fide angel investment is, generally, the purchase of an equity interest in a new business. The total amount of angel investment credits that all taxpayers may claim in all taxable years combined is \$47,500,000. This bill eliminates the limit of the total amount of angel investment credits that taxpayers may claim.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 SECTION 1. 71.07 (5d) (c) 1. of the statutes is repealed.

3 SECTION 2. 73.03 (63) of the statutes is amended to read:

1           73.03 (63) Notwithstanding the amount limitations specified under s. 71.07  
2           ~~(5d) (e) 1. and s. 238.15 (3) (d) or s. 560.205 (3) (d), 2009 stats., or s. 238.15 (3) (d),~~ in  
3           consultation with the ~~department of commerce or~~ the Wisconsin Economic  
4           Development Corporation, to carry forward to subsequent taxable years unclaimed  
5           credit amounts of the early stage seed investment credits under ss. 71.07 (5b), 71.28  
6           (5b), 71.47 (5b), and 76.638 and the angel investment credit under s. 71.07 (5d).  
7           Annually, no later than July 1, the ~~department of commerce or the~~ Wisconsin  
8           Economic Development Corporation shall submit to the department of revenue its  
9           recommendations for the carry forward of credit amounts as provided under this  
10          subsection.

History: 1971 c. 40, 215; 1973 c. 90; 1975 c. 39; 1977 c. 143; 1977 c. 196 s. 130 (7); 1977 c. 313; 1979 c. 34; 1979 c. 110 s. 60 (13); 1979 c. 221, 350; 1981 c. 20; 1981 c. 79 s. 18; 1983 a. 275 s. 15 (4); 1983 a. 524; 1983 a. 538 s. 269 (3); 1985 a. 12, 29, 273; 1987 a. 4, 27, 186; 1987 a. 312 s. 17; 1987 a. 328, 378, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 74, 335; 1991 a. 39, 219, 313, 316; 1993 a. 16, 112, 205, 490; 1995 a. 27 ss. 3434g to 3440m, 9145 (1); 1995 a. 209, 233; 1997 a. 27, 35, 191, 237, 252; 1999 a. 9, 31, 185; 2001 a. 16, 44, 104, 107, 109; 2003 a. 33, 127; 2005 a. 25, 259; 2007 a. 20, 86; 2009 a. 2, 28, 180, 401; 2011 a. 10, 32, 257.

(END)



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**(END)**